



## MEMORANDUM

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**Date:** August 30, 2002

**To:** Delegation Contact and All Purchasing Staff  
at Departments with Base Information Technology Delegated Purchasing Authority

**From:** Delegation Resources Program, Acquisitions Section  
Procurement Division, Department of General Services  
707 Third Street, Second Floor South, West Sacramento, CA 95605

**Subject:** Management Memo 02-19 Impact on Base Information Technology Delegated Purchasing Authority

Executive Order D-55-02 (EO) issued on May 20, 2002, contained procurement-related directives (EO Items 4, 5, and 6) that were effective during a specified review period, which has expired. Therefore, Management Memo 02-12, which was issued as a result of the EO, has been superseded by MM 02-19 (MM), issued August 20, 2002. The MM addresses non-competitively bid (NCB, formerly sole source) contracts and places specified limitations on the use of multiple award-type contracts.

This memo reminds departments of their specific delegated purchasing authority and/or relates the impact on your department's delegated purchasing authority of specific conditions contained in the MM. For the base information technology (IT) delegated purchasing authority, the following are the impacts of the MM on any unapproved or unawarded contract, effective August 20, 2002. These policies must be implemented immediately.

All NCB transactions must be approved by the department's agency secretary or immediate next ranking official, as defined by the MM. This approval authority may not be delegated.

All NCB transactions must be fully justified, as required by the MM, utilizing the attached "Non-Competitive Bid Contract Justification". This document is also available in Word format on DGS-PD's webpage at [www.pd.dgs.ca.gov](http://www.pd.dgs.ca.gov). This justification document replaces Attachment 14 to the Delegation Guidelines for Goods, issued May 14, 2001, and the justification document issued with my memo dated June 7, 2002.

NCB transactions \$5,000.01 to \$25,000.00 need not be approved by the Department of General Services, Procurement Division (DGS-PD); however, a completed NCB Contract Justification, approved by the agency secretary, must be retained in the transaction file and reported quarterly to the Delegation Resources Program, DGS-PD. An addendum to the MM that addresses this requirement will be issued soon.

All NCB transactions that exceed \$25,000.00 must be forwarded to DGS-PD for review and approval. The NCB Contract Justification, approved by the agency secretary, must accompany these transactions.

Approvals for transactions within the limitations of your individual delegation authority will be returned to you for execution. This includes procurements for "proprietary" software license or maintenance of \$250,000 or more as described in MM 02-19, Attachment C, Item 6.

All solicitations exceeding \$100,000.00 must be written and include DGS-PD's IT contract language, including the IT Terms and Conditions, all appropriate modules and the General Provisions as of the latest version published on DGS-PD's website. Modification of any provision of DGS-PD's contract language is not allowed except as may be approved by DGS-PD's Contract Negotiations Manager.

All solicitations exceeding \$100,000.00 must include a provision for notice of Intent to Award, providing for a 5-day protest period, to all bidders submitting a bid.

All solicitations for IT goods exceeding \$100,000.00 must be advertised in the California State Contracts Register (CSCR). All solicitations for IT services exceeding \$5,000.00 must be advertised in the CSCR; this includes solicitations for IT goods and services, when the services portion exceeds \$5,000.

Any contract amendment that will cause the transaction to exceed \$250,000.00 must comply with the MM, Attachments C and D.

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The base information technology delegated purchasing authority granted to your department by DGS-PD, Delegation Resources Program authorizes your department to competitively bid IT goods and services for purchases not to exceed \$500,000.00 per transaction. The solicitations for these transactions must be developed in accordance with the Delegation Guidelines for Information Technology issued on May 14, 2001, except as noted above.

Watch for revisions to this memo and to the Delegation Guidelines issued on May 14, 2001 for status changes regarding these and other issues.

If your department has multiple delegations, refer to the specific memo issued by the Delegation Resources Program for that specific type of delegation. If your department has questions regarding its delegated purchasing authority, please call Delegation Resources Program staff for assistance.



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Delegation Resources Program  
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Attachment